

Finance Report, Financial Year 2017/18 January 2018

Executive Summary

Reiterating the positive financial message from January report, we do expect to come in close to budget subject to the more sensitive budget lines, such as legal case spend and short term staff fluctuations. As we get closer to year end, the risk of a material over or underspend becomes less acute.

We are expecting to over-recover our income to a level of circa £400k or 2% of original forecast (8% overall increase from prior year). This additional income will be used to pay back the £1.4m advance from DCMS and therefore minimise the budget burden when we move to the uncertain platform of the new funding model.

Staff are currently moving into King's Court and work is commencing within Wycliffe house to ensure that our current space is utilised as efficiently as possible.

With regards our recruitment campaign (FTE 485.7 at end of January), we remain optimistic that we will achieve our budget by the end of March 2018. We have £1.6M per month to spend up to the end of the financial year to cover current staff costs and an additional £120k for new starters up to the end of March.

Data Protection Funding Model

We expect the fees to be agreed at £40 for micro organisations (staff <10, turnover <£632k), £60 for SMEs (staff 10-250, turnover <£36m) and £2,900 for all other organisations. Organisations will be offered a £5 discount for paying through Direct Debit which gives micro businesses the opportunity to remain paying £35.

We are expecting the Statutory funding Instrument to be laid in Parliament on 20 February 2018. We are planning to publish funding guidance in line with the laying of the SI which will help businesses transition to the new arrangements and make the details of the new funding legislation clear to the public.

Financial Overview as at 31 January

Spend under/ (over) variance tolerance of 10%: *Overall, no material variance found or expected.*

Budget	% Variance	Comments
Training & Recruitment	14.8%	Bespoke training in enforcement and policy teams that was been booked for the final quarter is now not likely to occur this year, this additional resource will be utilised as cover for additional travel costs.
Project Spend	(40.9%)	Pending a final capital review before the year end, much of this overspend is capital in nature and will be capitalised in the coming months. No material overspend is expected by the end of the financial year.
Travel	(13.5%)	Travel is expected to overspend by circa 15% (£80k) by the end of the year. Additional resources from unutilised training budget have been allocated to cover this.
Legal & Professional	32.1%	Due to a lighter than anticipated caseload but also subject to unbilled ongoing cases, legal spend is lower than expected but only in the region of £50k-£70k. This resource is likely to be diverted into outsourced costs such as outsourced policy guidance. Grants fund will spend to allocated budget as it has all been awarded (subject to contract completion)

Cash Flow

The cash flow remains consistently robust with reserves available in the event of a reduced income or to cover additional work required over forecasted income.

DP Income

Month	Budget *	Actual	Variance	%
	(£000)	(£000)	(£000)	
April	1,528	1,458	(70)	(5%)
May	1,547	1,731	185	12%
June	1,640	1,698	58	4%
July	1,736	1,644	(92)	(5%)
August	1,569	1,645	76	5%
September	1,948	1,829	(119)	(6%)
October	1,863	1,973	111	6%
November	1,763	1,856	94	5%
December	1,253	1,204	(49)	(4%)
January	2,080	2,160	79	4%
Subtotal	16,928	17,199	271	2%
February	1,857			
March	1,969			
£ Year	*20,754			

*Budget reflects an uplift of 6% from the previous year.

The number of registrations has steadily increased from April 2017, showing an increase of 30,531 or 6.5% by the end of January. If this level of growth continues, we would expect fees to be up to 8% ahead of the previous year against a budget of +6%. No drop off has yet been recorded in the run up to GDPR going live.

Month End Financial Summary

MANAGEMENT REPORT

For the Ten Months Ending 31 January
2018

	Year To Date				Full Year	Prior Year
	Budget £	Actual £	Variance £	Var % %	Forecast £	2016/17 £
GRANT IN AID	3,170,000	3,170,000	0	-	3,795,000	3,790,000
DP FEE INCOME	16,928,095	17,199,023	-270,928	(1.6%)	20,754,800	19,729,439
IPA INCOME	247,500	247,500	0	-	330,000	330,000
BANK INTEREST	0	-13	13	-	0	75
TOTAL INCOME	20,345,595	20,616,510	-270,915	(1.3%)	24,879,800	23,849,514
TOTAL OFFICE COSTS	1,247,249	1,229,741	17,508	1.4%	1,500,216	1,523,289
TOTAL STAFF COSTS	14,985,755	14,984,972	783	0.0%	18,098,424	16,029,657
TOTAL TRAINING AND RECRUITMENT	508,912	433,773	75,139	14.8%	676,190	579,010
TOTAL IT COSTS	2,262,923	2,284,296	-21,373	(0.9%)	2,713,825	2,505,735
TOTAL PROJECT SPEND	592,229	834,253	-242,024	(40.9%)	674,675	688,500
TOTAL COMMUNICATIONS	321,058	293,688	27,370	8.5%	388,400	507,460
TOTAL FINANCIAL COSTS	85,125	86,119	-994	(1.2%)	107,500	153,134
TOTAL TRAVEL	415,005	470,949	-55,944	(13.5%)	540,700	526,336
TOTAL LEGAL, PROFESSIONAL & OTHER	1,008,847	684,670	324,177	32.1%	1,429,870	595,466
TOTAL COSTS	21,427,103	21,302,460	124,643	0.6%	26,129,800	23,108,588
CAPITAL SPEND	510,000	415,007	94,993	18.6%	650,000	616,614
OPERATING SURPLUS	-1,591,508	-1,100,957	-490,551	30.8%	-1,900,000	124,312
GIA PROGRAMME 1819 ADVANCE	1,120,000	1,120,000	0	-	1,400,000	0
SURPLUS	-471,508	19,043	-490,551	104.0%	-500,000	124,312

*Project spend includes some capital spend which is reviewed quarterly alongside the revenue budget. Capital spend is estimated at £415k to date.

Civil Monetary Penalties (CMPs)

Below is the summary of those debts we still consider recoverable from the previous year plus new penalties issued to January 2018.

Gross debts B/fwd from 2016-17	594,600
Issued penalties gross	4,676,829
Issued prompt payment discount	(501,100)
Irrecoverable debts written off	-
Net	4,770,329
Receipts*	2,115,141
Balance	2,655,189

*Of this sum, £577,622 is due to be paid to the consolidated fund in April 2018.

Spending controls

The ICO is complying with the Cabinet Office Spending Controls Guidance v 4.0

<https://www.gov.uk/government/publications/cabinet-office-controls/cabinet-office-controls-guidance-version-40>

Heather Dove
February 2018

MANAGEMENT REPORT

For the Ten Months Ending 31 January 2018

	Year To Date				Full Year	Prior Year
	Budget	Actual	Variance	Var %	Forecast	2016/17
	£	£	£	%	£	£
GRANT IN AID	3,170,000	3,170,000	0	-	3,795,000	3,790,000
DP FEE INCOME	16,928,095	17,199,023	-270,928	(1.6%)	20,754,800	19,729,439
IPA INCOME	247,500	247,500	0	-	330,000	330,000
BANK INTEREST	0	-13	13	-	0	75
TOTAL INCOME	20,345,595	20,616,510	-270,915	(1.3%)	24,879,800	23,849,514
RENT	416,441	419,358	-2,917	(0.7%)	528,500	646,378
RATES & BUILDING INSURANCE	237,207	236,537	670	0.3%	286,541	235,770
SERVICE CHARGES	46,333	41,125	5,208	11.2%	58,800	33,624
CAR PARKING	12,600	15,990	-3,390	(26.9%)	13,800	54,104
HEAT & LIGHT	86,041	77,936	8,105	9.4%	107,000	102,670
WATER	18,375	17,955	420	2.3%	22,875	17,067
CLEANING	61,767	69,581	-7,814	(12.7%)	74,100	88,463
SECURITY	49,166	51,481	-2,315	(4.7%)	59,000	52,462
WASTE	3,333	4,032	-699	(21.0%)	4,000	5,797
REPAIRS & MAINTENANCE	59,500	57,892	1,608	2.7%	75,500	49,277
MOTOR COSTS	0	0	0	-	0	-151
KITCHEN	31,730	25,080	6,650	21.0%	38,000	32,524
REMOVALS	0	379	-379	-	0	0
FURNITURE	100,000	86,790	13,210	13.2%	113,000	46,407
GENERAL EQUIPMENT	8,330	2,539	5,791	69.5%	10,000	8,191
STATIONERY	56,100	67,235	-11,135	(19.8%)	67,100	46,178
POSTAGE	50,900	44,644	6,256	12.3%	61,000	55,840
DOCUMENT DESTRUCTION	6,834	4,699	2,135	31.2%	8,000	5,768
OTHER	2,592	6,488	-3,896	(150.3%)	3,000	84,449
OFFICE COSTS CAPITALISED	0	0	0	-	-30,000	-41,529
TOTAL OFFICE COSTS	1,247,249	1,229,741	17,508	1.4%	1,500,216	1,523,289

MANAGEMENT REPORT

For the Ten Months Ending 31 January 2018

	Year To Date				Full Year	Prior Year
	Budget	Actual	Variance	Var %	Forecast	2016/17
	£	£	£	%	£	£
SALARIES	11,406,498	10,969,201	437,296	3.8%	13,791,765	12,062,267
OVERTIME	131,054	132,862	-1,807	(1.4%)	152,291	110,106
PENSION	2,226,653	2,226,654	-1	(0.0%)	2,685,801	2,452,706
NATIONAL INSURANCE	1,076,474	1,076,475	-1	(0.0%)	1,301,275	1,150,172
AGENCY STAFF	0	437,303	-437,303	-	0	291,489
INWARD SECONDMENT	100,666	99,553	1,113	1.1%	114,000	0
SALARIES INCOME	0	0	0	-	0	-68,616
PENSION INCOME	0	0	0	-	0	-14,582
NATIONAL INSURANCE INCOME	0	0	0	-	0	-7,829
NON EXEC BOARD MEMBER	44,410	42,924	1,486	3.3%	53,292	53,944
TOTAL STAFF COSTS	14,985,755	14,984,972	783	0.0%	18,098,424	16,029,657
RECRUITMENT	157,166	142,051	15,115	9.6%	191,440	166,022
RELOCATION EXPENSES	4,750	4,459	291	6.1%	4,750	41,575
HEALTH & SAFETY	46,996	45,791	1,205	2.6%	60,000	46,860
APPRENTICESHIP LEVY	50,000	43,392	6,608	13.2%	60,000	0
FURTHER EDUCATION	5,000	1,650	3,350	67.0%	6,000	7,478
ALL STAFF SKILLS DEVELOPMENT	150,000	133,383	16,617	11.1%	230,000	302,965
SEMINARS AND CONFERENCES	60,000	12,256	47,744	79.6%	82,000	0
MANAGEMENT DEVELOPMENT	15,000	28,007	-13,007	(86.7%)	18,000	14,111
CSL E LEARNING	2,500	720	1,780	71.2%	3,500	0
CSL WORKSHOPS	2,500	7,198	-4,698	(187.9%)	3,500	0
PROFESSIONAL QUALIFICATIONS	12,500	13,397	-897	(7.2%)	13,500	0
INFORMATION TECHNOLOGY	2,500	1,469	1,031	41.2%	3,500	0
TOTAL TRAINING AND RECRUITMENT	508,912	433,773	75,139	14.8%	676,190	579,010

MANAGEMENT REPORT

For the Ten Months Ending 31 January 2018

	Year To Date				Full Year	Prior Year
	Budget £	Actual £	Variance £	Var % %	Forecast £	2016/17 £
HOSTING, WEB AND TELEPHONY	596,935	549,719	47,216	7.9%	716,322	704,277
APP & DESKTOP SUPPORT	566,670	577,550	-10,880	(1.9%)	680,003	679,870
SOFTWARE LICENSING	404,167	464,956	-60,789	(15.0%)	485,000	379,419
SECURITY CONTRACT	41,667	10,517	31,150	74.8%	50,000	54,482
NOTIFICATION PRINTING	196,000	196,744	-744	(0.4%)	235,000	222,494
MANAGED PRINT	35,417	40,292	-4,875	(13.8%)	42,500	33,702
CARD PROCESSING CHARGES	108,400	91,902	16,498	15.2%	130,000	103,982
HARDWARE MAINTENANCE	41,667	96,490	-54,823	(131.6%)	50,000	70,975
GOV SECURE INTERNET	101,000	61,092	39,908	39.5%	120,000	0
TELEPHONY CALLS & BROADBAND	171,000	195,034	-24,034	(14.1%)	205,000	256,534
TOTAL IT COSTS	2,262,923	2,284,296	-21,373	(0.9%)	2,713,825	2,505,735
ICE CRM DEVELOPMENT	0	234,764	-234,764	-	0	0
FINANCE SYSTEM	0	11,455	-11,455	-	0	0
DOCUMENT STORAGE SOLUTION	0	53,222	-53,222	-	0	0
INFRASTRUCTURE	0	531,205	-531,205	-	0	0
HARDWARE & SOFTWARE UPGRADES	140,000	32,234	107,766	77.0%	140,000	0
PRE-PROJECT INVESTIGATIONS	0	11,016	-11,016	-	0	0
NPS RESOURCE	0	132,683	-132,683	-	0	0
OTHER PROJECT WORK	962,229	242,682	719,547	74.8%	1,154,675	1,263,585
PROJECT WORK CAPITALISED	-510,000	-415,007	-94,993	18.6%	-620,000	-575,085
TOTAL PROJECT SPEND	592,229	834,253	-242,024	(40.9%)	674,675	688,500

MANAGEMENT REPORT

For the Ten Months Ending 31 January 2018

	Year To Date				Full Year	Prior Year
	Budget	Actual	Variance	Var %	Forecast	2016/17
	£	£	£	%	£	£
CAMPAIGNS, MEDIA RELATIONS & PR	26,000	50,131	-24,131	(92.8%)	106,200	24,665
MARKETING CONSORTIUM INCOME	0	0	0	-	-75,000	0
MEDIA MONITORING	64,200	13,352	50,848	79.2%	79,200	135,625
DESIGN & PRINT	44,358	39,440	4,918	11.1%	55,000	40,922
DISTRIBUTION	33,333	29,503	3,830	11.5%	40,000	25,774
SURVEYS	53,000	40,712	12,288	23.2%	66,000	26,779
CONFERENCES GENERAL	104,000	134,020	-30,020	(28.9%)	104,000	269,310
CONFERENCE INCOME	-25,000	-41,164	16,164	(64.7%)	-25,000	-48,686
ICON DEVELOPMENT	0	0	0	-	15,000	0
STAFF EVENTS	12,000	2,175	9,825	81.9%	12,000	19,578
WEB MAINTENANCE	9,167	25,520	-16,353	(178.4%)	11,000	13,493
TOTAL COMMUNICATIONS	321,058	293,688	27,370	8.5%	388,400	507,460
BANK CHARGES	28,125	29,263	-1,138	(4.0%)	37,500	47,624
EXTERNAL AUDIT	27,500	24,583	2,917	10.6%	33,000	32,500
INTERNAL AUDIT	29,500	31,833	-2,333	(7.9%)	37,000	69,431
CORPORATION TAX	0	0	0	-	0	17
BAD DEBT WRITE OFF	0	440	-440	-	0	3,562
TOTAL FINANCIAL COSTS	85,125	86,119	-994	(1.2%)	107,500	153,134
CAR HIRE	7,448	4,640	2,808	37.7%	9,500	5,251
EPCS CARD REBATE	0	-1,406	1,406	-	0	0
TRAVEL HOSTING	0	3,677	-3,677	-	0	226
TRAVEL UK	315,705	370,009	-54,304	(17.2%)	408,500	445,577
TRAVEL OVERSEAS	106,826	114,397	-7,571	(7.1%)	139,700	97,136
TRAVEL INCOME - UK	-6,166	-1,690	-4,476	72.6%	-7,000	-6,526
TRAVEL INCOME - OVERSEAS	-8,808	-18,677	9,869	(112.0%)	-10,000	-15,328
TOTAL TRAVEL	415,005	470,949	-55,944	(13.5%)	540,700	526,336

MANAGEMENT REPORT

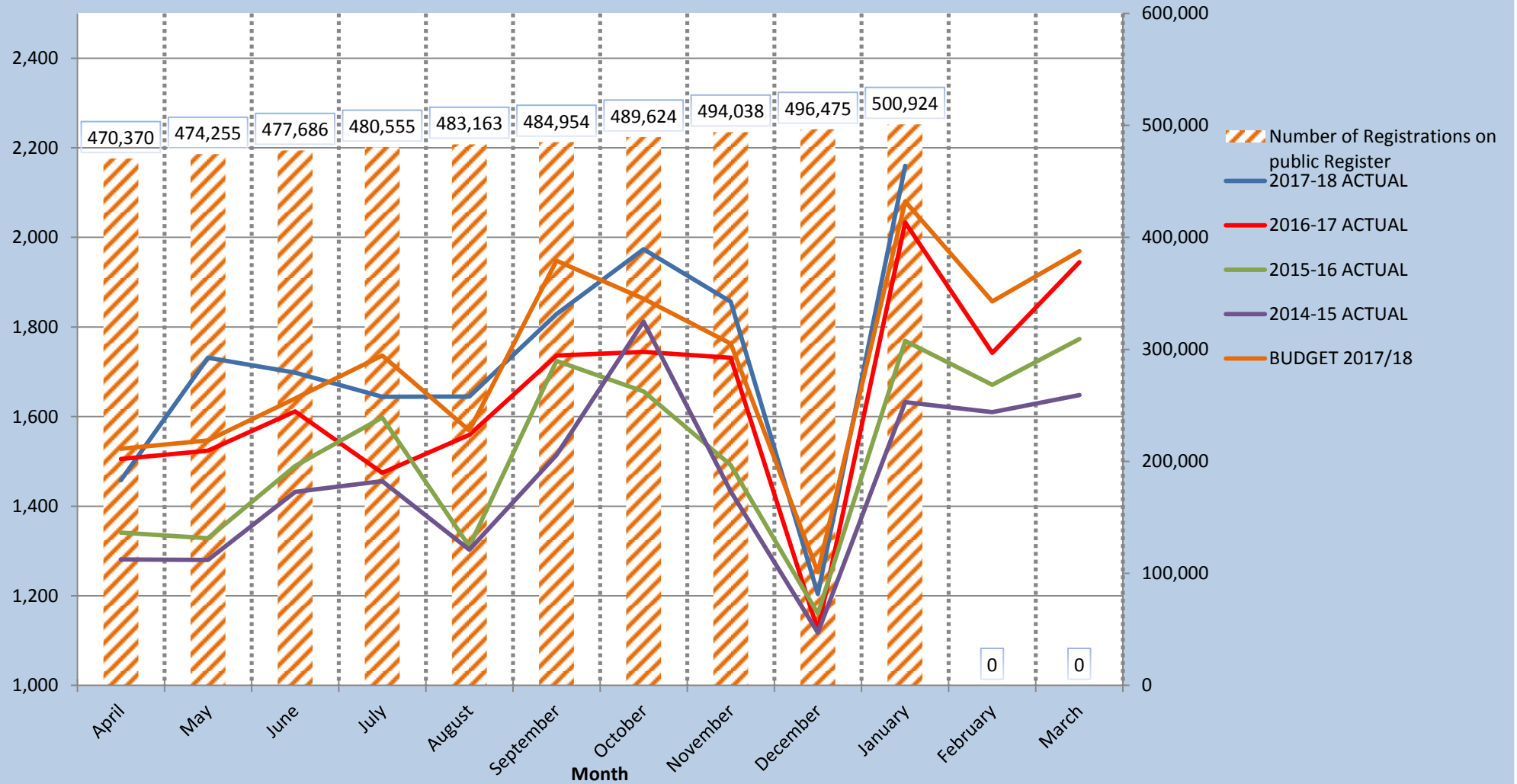
For the Ten Months Ending 31 January 2018

	Year To Date				Full Year	Prior Year
	Budget	Actual	Variance	Var %	Forecast	2016/17
	£	£	£	%	£	£
LEGAL	643,244	499,056	144,188	22.4%	835,800	349,017
LEGAL COSTS RECOVERED	-11,010	-95,449	84,439	(766.9%)	-25,000	-27,109
LIBRARY & SUBSCRIPTIONS	56,900	49,138	7,762	13.6%	65,900	54,354
PROFESSIONAL MEMBERSHIPS	13,850	14,577	-727	(5.2%)	14,250	10,714
RESEARCH	139,000	17,640	121,360	87.3%	165,000	35,634
RESEARCH GRANTS FUND	50,000	6,000	44,000	88.0%	125,000	0
NIS DIRECTIVE	0	0	0	-	100,000	0
PROFESSIONAL SERVICES	105,443	191,472	-86,029	(81.6%)	137,500	163,404
STAFF RECOGNITION	11,420	2,237	9,183	80.4%	11,420	9,452
TOTAL LEGAL, PROFESSIONAL & OTHER	1,008,847	684,670	324,177	32.1%	1,429,870	595,466
TOTAL COSTS	21,427,103	21,302,460	124,643	0.6%	26,129,800	23,108,588
CAPITAL SPEND	510,000	415,007	94,993	18.6%	650,000	616,614
OPERATING SURPLUS	-1,591,508	-1,100,957	-490,551	30.8%	-1,900,000	124,312
GIA PROGRAMME 1819 ADVANCE	1,120,000	1,120,000	0	-	1,400,000	0
SURPLUS	-471,508	19,043	-490,551	104.0%	-500,000	124,312

Fee Income 2017/18

Fee income (£000)

Registration



INFORMATION COMMISSIONERS OFFICE

For the Twelve Months Ending 31 March 2018

	Actual Apr-17 £ (000)	Actual May-17 £ (000)	Actual Jun-17 £ (000)	Actual Jul-17 £ (000)	Actual Aug-17 £ (000)	Actual Sep-17 £ (000)	Actual Oct-17 £ (000)	Actual Nov-17 £ (000)	Actual Dec-17 £ (000)	Actual Jan-18 £ (000)	Forecast Feb-18 £ (000)	Forecast Mar-18 £ (000)
Cash flows from operating activities												
Net Expenditure												
DP FEE INCOME	-1,458	-1,731	-1,698	-1,644	-1,645	-1,829	-1,973	-1,857	-1,204	-2,160	-1,722	-1,834
DRIPA INCOME	0	0	-83	0	0	-83	0	0	-83	0	0	-83
OFFICE COSTS	113	91	89	107	127	124	101	136	106	234	150	150
STAFF COSTS	1,432	1,413	1,425	1,456	1,469	1,457	1,507	1,634	1,527	1,566	1,570	1,643
TRAINING AND RECRUITMENT	40	49	28	52	33	50	50	52	23	57	93	149
IT COSTS	218	241	178	268	260	178	275	203	239	226	215	214
PROJECT SPEND	143	101	166	76	125	79	-76	107	-45	158	-75	-215
COMMUNICATIONS	15	14	54	17	18	67	33	42	36	-3	40	55
FINANCIAL COSTS	3	3	7	3	0	3	6	17	36	8	10	11
TRAVEL	40	53	44	41	19	72	64	63	30	46	-4	72
LEGAL, PROFESSIONAL & OTHER	27	50	31	54	73	32	81	101	65	169	335	411
Net expenditure total	572	285	242	429	481	150	69	498	731	301	613	574
Decrease in trade and other receivables	22	678	-6	233	-36	689	194	-239	-11	1,015	939	-696
Increase in trade payables	513	-913	-71	391	-266	-569	66	122	174	-1,786	-1,006	67
Use of provisions	0	0	0	0	0	0	0	0	0	0	0	0
Net cash outflow from operating activities	1,107	50	165	1,052	180	270	329	380	894	-470	546	-54
Cash flows from investing activities												
Capital Spend	0	0	0	0	0	0	266	54	95	-0	50	285
Profit/Loss on Disposal of Fixed Assets	0	0	0	0	0	0	0	0	0	0	0	0
Net cash outflow from investing activities	0	0	0	0	0	0	266	54	95	-0	50	285
Cash flows from financing activities												
Grant in Aid	-313	-313	-313	-313	-313	-313	-313	-313	-358	-313	-313	-313
Grant in Aid Programme in Advance			-140	-140	-140	-140	-140	-140	-140	-140	-140	-140
Net cash flows from financing activities	-313	-313	-453	-453	-453	-453	-453	-453	-498	-453	-453	-453
Net increase/(decrease) in cash and cash equivalents in the year												
Net increase/(decrease) in cash	794	-262	-288	600	-273	-182	143	-18	491	-923	144	-222
Cash & equivalents- start of period	3,630	2,836	3,098	3,386	2,786	3,059	3,241	3,098	3,116	2,625	3,548	3,404
Cash & equivalents- end of period	2,836	3,098	3,386	2,786	3,059	3,241	3,098	3,116	2,625	3,548	3,404	3,626